

9. **TRAINING.** Producer agrees to attend training sessions concerning Grow/Finish Production as conducted by Cooperative or Farmland.

10. **TRANSPORTATION.** The transportation of feeder pigs to and finished hogs from the Facilities shall be the responsibility of Cooperative. Cooperative shall determine the schedule for delivery of feeder pigs to and the removal of finished hogs from the Facilities and the Producer or his authorized agent shall be present and shall have prepared the Facilities all in accordance with the schedule provided by Cooperative.

11. **INSURANCE.** Producer shall obtain at Producer's expense a general liability insurance policy providing a minimum of \$500,000 single limit bodily injury and replacement value property damage coverage for the Facilities and shall provide Cooperative with a certificate of insurance evidencing such coverage. Producer recognizes and accepts the hazards inherent in any livestock venture. Producer shall be responsible for obtaining, at Producer's option and expense, business interruption insurance protecting Producer against potential loss of income/compensation as a result of causes such as, but not limited to, acts of God, death or disease of all or some of the swine, mechanical failures, interruption of utilities, weather, etc.

12. **FACILITY REQUIREMENTS.** Producer specifically agrees to provide and maintain in proper and sanitary working order, Facilities meeting the facility design and requirements provided by Cooperative.

13. **RIGHT TO INSPECT.** Producer specifically agrees that at all times during this Agreement, Cooperative, Farmland and their respective agents, employees and representatives shall have the absolute and irrevocable right to enter upon the lands constituting Producer's farm, the Facilities and any other designated hog production area to inspect the Producer's hog operations for the purpose of confirming that all terms, duties and obligations under this Agreement are being complied with.

14. **WARRANTIES OF PRODUCER.** Producer hereby warrants the following:

- a) To adhere to the feeding and health maintenance programs and management recommendations provided by Cooperative or its agents;
- b) To endeavor at all times to produce hogs of the highest and best quality;
- c) Not to use any Supplies except those provided or approved by Cooperative;
- d) To cooperate fully with Cooperative to provide, prepare and make available records supporting the care and feeding of the swine;
- e) To comply with all laws and regulations applicable to the feeding and care of the swine;
- f) That no live swine shall be removed from the Facilities without the prior written consent of Cooperative;
- g) At no time during the duration of this Agreement will Producer place or allow anyone else to place other swine in the Facilities;
- h) Producer shall **INDEMNIFY AND HOLD** Cooperative **AND** Farmland **HARMLESS** from all death loss in excess of 5% of the original deliveries of swine and all subsequent deliveries of swine, if such death loss is attributable to Producer's negligence; and
- i) Producer and Producer's employees will have no contact with other swine.

15. **MINIMUM ANNUAL PAYMENT.** Cooperative shall guarantee to Producer a minimum payment of \$30.00 per Pig Space (the "Minimum Annual Payment") for each consecutive 12 month period this Agreement is